



energy fuels ltd.

a limited partnership

executive offices • suite 900 • three park central • 1515 arapahoe • denver, colorado 80202 • (303) 623-8317

October 1, 1980

Mr. Ralph Herrmann  
Monticello Minerals &  
Mining Company, Inc.  
P.O. Box 329  
Biwabik, MN 55708

Dear Mr. Herrmann:

Monticello Minerals and Mining Company, Inc. and Energy Fuels, Ltd. are undivided owners of certain mining claims located in San Juan County, Utah. Over the past several years, Energy Fuels has been developing and mining certain of these mining claims under an Agreement between Monticello Minerals and Energy Fuels dated November 16, 1978.

The property jointly held by Monticello Minerals and Energy Fuels is being acquired under a Sales Agreement dated November 12, 1976, between Minerals West, Inc., as seller, and Monticello Minerals, as purchaser. As you are no doubt aware, the market price of uranium has been falling drastically in the last year and now stands at \$28.50 per pound. Because of the economics of mining the jointly-held property and the extremely high purchase payments to be made under the Purchase Agreement, Energy Fuels has determined that it no longer has any interest in retaining these properties. Therefore, please be advised that Energy Fuels will not make the payment due November 12, 1980, pursuant to the Purchase Agreement with Minerals West. If Monticello Minerals wishes to retain these properties, it should plan on making the payment due November 12. Energy Fuels will convey all of its right, title and interest in and to the claims and to the Purchase Agreement to Monticello Minerals, if you so desire. Energy Fuels has advised Minerals West that it will not make the next payment and will thereby surrender its undivided interest. Recognizing that in order to preserve your interest, a payment must be made, you should so arrange with Minerals West on or before November 12, 1980, if you wish to hold your interest.

Energy Fuels will continue to operate the property for the benefit of the joint owners until the payment is due on November 12, and thereupon will relinquish the property to you or to Minerals West, if you do not elect to make the next



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payment. Final accounting with regard to the operations of the jointly-held property will be submitted as quickly as possible after cessation of mining operations. If you have any questions with regard to this matter, I would be happy to discuss it further.

Sincerely,

ENERGY FUELS, LTD.  
By E. F. Uranium Group, Inc.

By *MD Vincelette*  
Muril D. Vincelette  
Vice President - Operations

MDV/GEG/jm